



Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

February 25, 1992

RETURN RECEIPT REQUESTED
P 074 978 826

Mr. Thomas M. Nielson
Minerals West, Incorporated
Apt. 2A
659 South 1200 East
Salt Lake City, Utah 84102

Dear Mr. Nielson:

Re: Request for Written Release, Reclamation Surety, Minerals West Incorporated, Mi Vida Mine, M/037/028, San Juan County, Utah

As you are aware, on December 5, 1991, after notice and public hearing, the Board of Oil, Gas and Mining (Board) approved the forfeiture of the reclamation surety posted by Minerals West, Incorporated (Minerals West), for the Mi Vida mine in San Juan County, Utah. A Board Order subsequently followed which was signed on January 13, 1992, establishing the Board's decision and findings. This Order is now final and unappealable.

The operative Escrow Agreement was signed April 23, 1980, by Minerals West, First Security Bank and the Board. On page 3 of the Agreement, procedures for disbursement of funds are defined. Either of two conditions must be met before the full amount of surety and accumulated interest, must be released by the Escrowee (1st Security Bank) to the State.

The first condition requires written mutual consent by both parties (Minerals West, and the Board) to terminate the Escrow Agreement. The second condition would require disbursement of the Funds by order of a court.

This Division is now seeking resolution of condition one and hereby requests formal written mutual consent from Minerals West, Incorporated to dissolve the

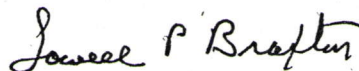
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M/037/028
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Escrow Agreement, therein releasing all funds presently held by First Security Bank for reclamation of the Mi Vida mine. We have prepared a mutual consent form (enclosed) for your convenience which must be signed and returned to this office.

Your failure to abide by this request within thirty (30) days, March 26, 1992, will require that the State initiate legal action against Minerals West, Incorporated through the State Attorney General's Office. In addition to the total reclamation costs, if any, the State will add all legal costs incurred as a result of this action to the costs of reclamation.

We thank you in advance for your cooperation in this matter. Please contact me or Wayne Hedberg should you have questions in this regard.

Sincerely,



Lowell P. Braxton
Associate Director, Mining

jb

Enclosure

cc: Robert Lambert, 1st Security Bank
Jim Carter, BOGM
Dianne Nielson, DOGM
Tom Mitchell, AAG
Minerals staff (route)

M037028.3

MUTUAL ACKNOWLEDGEMENT OF TERMINATION
MINED LANDS RECLAMATION ESCROW AGREEMENT

THIS AGREEMENT, entered into and signed on behalf of the Operator MINERALS WEST, INCORPORATED, and the Board of Oil, Gas and Mining, on the 23rd day of April 1980, is hereby **terminated**. Effective by signed mutual consent of the responsible parties pursuant to the conditions of the original AGREEMENT.

OPERATOR:

Operator Name (please type or print)

By _____
Corporate Officer - Position

Date

Signature

STATE OF _____)

COUNTY OF _____)

On the _____ day of _____, 19_____, personally appeared before me _____ who being by me duly sworn did say that he/she, the said _____ is the _____ of _____ and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said _____ duly acknowledged to me that said company executed the same.

Notary Public

Residing at: _____

My Commission Expires:

BOARD OF OIL, GAS AND MINING:

By _____
James W. Carter, Chairman

Date

STATE OF _____)

COUNTY OF _____)

On the _____ day of _____, 19____, personally
appeared before me, who being duly sworn did say that he/she, the said
_____ is the Chairman of the Board of Oil,
Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly
acknowledged to me that he/she executed the foregoing document by authority of
law on behalf of the State of Utah.

Notary Public
Residing at: _____

My Commission Expires: